

## Article - Local Government

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§1–1413.

(a) (1) After an unsuccessful attempt by the local government to collect outstanding liens at tax sale and subject to the approval of the water and sewer authority, governing body, or tax collector of the jurisdiction where the property is located, an authority may accept from a person with an interest in a parcel of water and sewer lien property, tax delinquent property, or tax sale property a deed or assignment conveying that person's interest in the property instead of:

(i) the foreclosure or sale of the property for delinquent taxes, penalties, and interest, as defined by § 14–801(d) of the Tax – Property Article;

(ii) delinquent-specific taxes imposed by a local taxing jurisdiction; or

(iii) delinquent water and sewer liens imposed by a water and sewer authority.

(2) (i) After an unsuccessful attempt by the local government or water and sewer authority to collect outstanding liens that are delinquent and at the discretion of the governing body of the jurisdiction, the water and sewer authority, or the tax collector where the property is located, an authority may accept from the local government or water and sewer authority with an interest in a parcel of delinquent water and sewer lien property, tax delinquent property, or tax sale property its interest in the water and sewer liens or tax liens in the property.

(ii) The authority may:

1. collect on liens or taxes collected under subparagraph (i) of this paragraph and retain all payment of taxes, liens, penalties, or any interest on the liens or taxes; or

2. foreclose on, enter into a deed in lieu of foreclosure, or sell the property for the liens or taxes and retain all payment of taxes, penalties, or interest on the liens or taxes and the costs of selling the property and, if any other net proceeds remain from the sale, return any net proceeds to the tax collector for distribution on a pro rata basis to the appropriate taxing units and water and sewer authorities in a ratio equal to the delinquent taxes or water and sewer liens, penalties, and interest owed on the property.

(b) Conveyance of property by deed instead of foreclosure or transfer of a lien or tax on property under this section may not affect or impair any other lien against the property or any existing recorded or unrecorded interest in the property, including any:

- (1) easement or right-of-way;
- (2) future installment of a special assessment;
- (3) lien recorded by the State;
- (4) private deed restriction;
- (5) security interest or mortgage;
- (6) tax lien of another taxing jurisdiction that does not consent to a release of its lien; or
- (7) water and sewer lien of a water and sewer authority that does not consent to a release of its lien.

(c) A tax lien or water and sewer lien against property held by or under the control of an authority may be released or abated at any time by:

- (1) a local government with respect to a lien held by the local government;
- (2) the governing body of any taxing jurisdiction other than the State, county, or municipality with respect to a lien held by the taxing jurisdiction;
- (3) a public water or sewer authority with respect to a tax lien, water and sewer lien, or right to collect a tax held by the public water or sewer authority; or
- (4) the Comptroller with respect to a State tax lien.

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